

**BUREAU: U.S. Customs Service**  
**FY 2001 Executive Budget Submission**  
*April 30, 1999*

**Strategic Direction**

*[This section of the document is for the Bureau's strategic direction by mission, objectives, FY 2001 performance goals, and organizational change.]*

**Mission**

The purpose of the United States Customs Service is to ensure that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations.

Our Business Vision focuses on what Customs employees are to achieve as described by their vision statement:

*To protect the public against violations which threaten the national economy and health and safety through targeted enforcement and informed compliance and to be the national resource for information on goods and people crossing our borders.*

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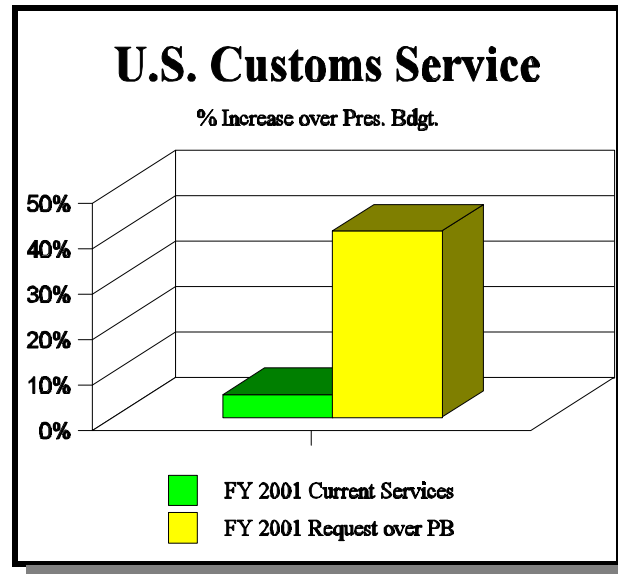
Our goal is to administer a system for our customers that:

- Provides simple, easy to understand forms, . . .
- Ensures access by . . .
- Provides customers one-stop service for trade/enforcement issues and problems . . .
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### Resource Profile

<i>Program Summary (dollars in millions)</i>					
Appropriation Title	FY 1999 Enacted	FY2000 Pres. Budget	FY 2001 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses (plus other misc. accts)	1,633.1	1,720.4	2,420.4	700.0	40.7%
Air/Marine Operation and Maintenance	113.7	109.4	149.4	40.0	36.6%
<b>Bureau Program Level</b>	<b>1,746.8</b>	<b>1,829.8</b>	<b>2,569.8</b>	<b>740.0</b>	<b>40.4%</b>
<i>Y2K Emergency Reserve (not included above)</i>	<i>10.2</i>	<i>---</i>	<i>---</i>	<i>n/a</i>	<i>n/a</i>

## Key Investments Proposed



The Service is proposing a budget in FY 2001 designed to . . .

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The request is targeted around three objectives and related performance goals as outlined below.

### **Management Processes**

*[This section should discuss the steps taken internally to deliberate the financial direction of your Bureau's request for FY2001 and beyond, as well as the confidence in accuracy of resource estimates requested for the coming year. It should also discuss:*

- *How your strategic directions and implementing actions will integrate with your operating plans.*
- *How field regional operations will implement corporate directions and visions set out in this request.*
- *The on-going assessment processes for the Bureau that will provide the evaluation of accomplishments, and how this process will inform future strategic plans and budget submissions.]*

### Planning Assumptions for Request

1. **Enabling legislation:** What is the legislative landscape for the request? Has legislation either been proposed or enacted yet? If such legislation is not enacted, how will it affect your request? What are the dynamics between the oversight and appropriations subcommittees of jurisdiction?
2. **Financial Starting Point:** What are the assumptions on which your request has been based? What are your assumptions on the costs and rate structure for labor and support (space, equipment, supplies) for your bureau? What is the assumption about adequacy of the baseline related to your requested enhancement?
3. **Investing in Trade Compliance and Regulation:** What is the Bureau Budget's approach to this strategic objective? What are the current shortcomings in the budget in meeting responsibilities in this area?
4. **Investing in Systems Modernization:** How has the Bureau used this budget to leverage technology? What impact will proposed investments have on productivity or cost avoidance? Are any of these returns on investment realized in the budget year?
5. **Investing in Border Enforcement and Interdiction Efforts:** What is your Bureau Budget's approach to this strategic objective? What are the shortcomings of the current budget in meeting responsibilities in this area?
6. **Organizational Change:** How does this budget address organizational change underway in your bureau? What impact does change have on your cost drivers?
7. **Workload Assessment:** -- What are the current workload forecast assumptions on which the request is based? What is the confidence level of the budget estimates and how accurate have they been in prior years? How does a change in workload affect your bureau's budget.

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**FY 2001 Request and Related Strategic Goals**

*[This should include a brief discussion of the performance goals that support your overall mission. For FY 2001, the established performance goals will become a basis for identifying results necessary to achieve your mission.]*

**Bureau Strategic Goal # 1:** To achieve . . .

**FY 2001 Performance Goals**

- !**     **Reduce Overall . . .**
  - *Increase the number of . . .*
  - *Receive remittances electronically . . .*
  - *Reduce correspondence by . . .*
- !**     **Provide Access . . .**
- !**     **Increase Productivity by . . .**

**Suggested start might be as follows:**

The budget proposes \$XXX million above current services to deliver this goal. The increase proposed for the following *[description with some detail]* will directly impact these performance goals.

*[What are the strategic performance targets for this investment in FY 2001 and what are its following impacts over the next two to three years? Can the targets be accomplished exclusively with a technology focus or is staffing a critical ingredient?]*

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*What are the staffing assumptions, if requested. If the staffing component cost is higher than the historic average for your bureau, what are the unique cost drivers for staffing in this proposal?]*

**Bureau Strategic Goal # 2:** To achieve . . .

**FY 2001 Performance Goals**

*Continue with the same approach to listing performance goals as used in Strategic Goal (or Budget Activity) #1*

**Suggested start might be as follows:**

The budget proposes \$XXX million above current services to deliver this goal. *(Continue as in Strategic Goal #1 with the same discussion of alternatives (e.g., out year performance expectations, comparison of results using human resources versus technology investments)*

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**Bureau Strategic Goal # 3:** To achieve . . .



### Base Profile

*[Unless separate justification is provided by the Bureau, **all adjustments for maintaining Current Services for all Bureaus will be calculated using standard Departmental factors and procedures.***

*Treasury **will entertain unique base and infrastructure needs** for bureaus as long as supporting data and analysis is made available. To the extent that supporting data warrants approval of requested special items, the Department-wide factors will be adjusted accordingly to accommodate the specific item(s).*

**Such items might include:**

- *Special Salary Rates*
- *Special approved grade-to-grade journeyman promotions*
- *Unique GSA rate charges applying to your bureau's holdings*
- *Higher than normal experience in "in-step" raises or in family (versus individual) health coverage (which would eventually result in lower than normal experience in future years)*
- *Unusual operational costs for maintenance and equipment*
- *etc.*

*The Department, OMB, and Congress have been moderately supportive in the past of special issue items in the Current Services profile across the full range of bureau missions -- tax administration, law enforcement, and fiscal service. However, no resources have been provided unless the supporting detail accompanied the request. ]*

*[The Department continues to be a highly labor intensive organization, with over 70% of all resources devoted to personnel compensation and benefits. The level rises to well over 85% when personnel-related support items are factored in for each investment made to support key proposals. In fact, the principal shortfalls identified for most bureaus fall into this latter category, which is technically controllable from a cost standpoint, but operationally required to support personnel. Bureaus have historically identified this area as a "base shortfall."]*

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*[Part of assessing the adequacy of a bureau's base, particularly as tradeoffs are considered for competing proposals, is having the information available to assist the policy makers in understanding your needs and budget situation.]*

*[This section explains the important information necessary for Departmental review of your requirements, as well as assesses the annual requests made by most bureaus for "base restorations."]*

*Three types of information are requested:*

- (1) The impact on current FY 1999 and 2000 Performance Goals from inadequate funding of base infrastructure,*
- (2) Known uncontrollable cost increases for FY 2001, in labor and support areas, that will cause program reductions if not funded. This should include the exact type of increase, the cause thereof, and any impact on program delivery;*
- (3) An historical, broad-brush differentiation of expenditure emphases by major cost categories, identifying program management choices between direct labor, routine expenditures (both mandatory and discretionary), and investments and services -- table follows.]*

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<b>Historical Obligations by Object Class (in millions of dollars) and FTE Realized</b>									
<b>Object Class Grouping</b>	<b>FY 1993</b>	<b>FY 1994</b>	<b>FY 1995</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
<b>Salaries and Benefits</b>									
<b>Travel</b>									
<b>All Rent</b>									
<b>Services</b>									
<b>Equipment</b>									
<b>All Other:</b>									
<i>(further detail optional)</i>									
<b>FTE</b>									
<b>Avg. Labor Cost per FTE</b>									
<b>Avg. Cost per FTE</b>									

Bureaus are encouraged to provide additional historical information in categories other than traditional object class (e.g., “budget line items” such as training, information technology, telecommunications). If such alternate categories are used, they should account for all obligations, just as traditional object classes.

## Proposed Capital Investments

*[This section is designed to profile your capital and information technology requirements in your request. Although your request is objective and performance oriented, the nature of the continuing and expanded focus warrants special attention and discussion of the investments proposed.]*

*For the FY 2001 bureau Executive Budget submission, all proposed capital investments must be in the process of review by the TIRB or bureau IRB, and all proposed capital investments must have supporting documentation. The Department has developed a **draft** standard business case template to be used for projects being evaluated by the TIRB. (See attached.) The TIRB will review this proposed template at their first meeting this Spring. For the FY 2001 Departmental budget process, the Department does not require that supporting documents for capital investments conform to the template. However, the Department encourages Bureaus to begin using this template as they develop future projects for evaluation by the TIRB or bureau IRBs. The Department requires that all capital investments proposed in the FY 2001 OMB submission be endorsed by the TIRB or bureau IRB.*

### **A sample justification might be as follows:**

Among the many change efforts underway within Customs, modernization of our trade processing and compliance systems offers us an unprecedented opportunity to make quantum improvements in trade administration by correctly leveraging technology. Supporting the business requirements and priorities, our long-term modernization effort will change how Customs receives, processes, stores and retrieves all information necessary to our administration of the trade laws.

Our current systems and antiquated technology are roadblocks to delivering the services that our customers expect. By providing the right information, at the right time, in the right place, Customs modernization will enable us to employ new business processes, thereby improving our front-line customer service, compliance and processing capabilities.

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While today's system is based on:

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The future system will be based on:

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For the coming fiscal year, we are proposing a series of important investments capital and technology totaling \$XXX million and detailed as follows:

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<b>Special Exhibits Provided</b>
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At a minimum, bureaus should prepare an exhibit C-1, by budget activity, and abbreviated Exhibits C-2 as indicated in the attached sample. See above instructions regarding level of detail and purpose. Bureaus are free to provide additional exhibits, graphics, or other tabular information that support the request, especially the need for resources above current services.